

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 04-04

DATE: August 26, 2004

DISPOSAL DATE: Ongoing

RE: Public Assistance Fraud
Investigations – Right of First
Selection

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support directors

From: Mark B. Moody
Administrator
Division of Health Care Financing

Purpose

The purpose of this memo is to request information regarding local administration of fraud investigations for county calendar year (CY) and tribal federal fiscal year (FFY) 2005.

Requested information is due to the Department of Health and Family Services (DHFS) by **September 30, 2004.**

The DHFS is currently developing plans for administration of the Public Assistance Fraud Program for Program Integrity and Investigations for CY/FFY 2005. As in the past years, counties and tribes have the right to provide fraud investigation services using local agency staff or subcontract for the services. For agencies that elect not to provide fraud investigation services locally, these services have been available from a state-contracted provider, Interstate Reporting Company (IRC). In this case, the county or tribe is required to provide referrals of suspected fraud cases to the state-contracted provider.

In order to plan for 2005, DHFS is requesting each local Income Maintenance (IM) agency to submit information indicating whether they will provide fraud investigation services locally, or use the state-contracted provider in CY/FFY 2005.

Background

Each agency administering public assistance programs is responsible for assuring program integrity for the programs administered by that agency. The DHFS IM Appendix to the State/County Contract covering community/social service programs, and the State/Tribal Contract for DHFS programs contains the requirement to provide integrity for the Food Stamps and Medical Assistance programs administered by IM agencies. The Department of Workforce Development (DWD) contracts for the Wisconsin Works (W-2) program contain the policies and procedures to provide program integrity for W-2 programs.

The Public Assistance Fraud Program is designed to provide program integrity for the Public Assistance Programs, including Food Stamps, Medical Assistance, Child Care, and W-2. These programs are supervised through contractual agreements between the DHFS and by agreement with DWD, and local administrative agencies.

For cost effectiveness and efficiency, public assistance fraud investigation services are to be conducted by a single provider for both W-2 and IM agencies in designated geographic areas. For CY/FFY 2004, 55 local IM agencies elected to provide fraud investigation services locally. For the 24 local agencies that chose not to provide fraud investigation services locally, IRC provides investigation services upon receipt of referrals from the local agencies.

Fraud Investigation Funding

Funding for fraud investigation services is included in the IM Appendix to the State and County Contract Covering Social Services and Community Programs, or in the State and Tribe Contract for the DHFS programs, for those counties and tribes that elect to provide Fraud Investigation Services. If a local agency does not provide investigation services using agency staff, or subcontract for such services, the identified funding is available to the State's provider, for services rendered.

Plans

In order to plan for CY/FFY 2005, DHFS is requesting that all agencies complete and submit the attached Notice of Intent to your regional Area Administrator by **September 30, 2004**. **If the Notice is not submitted by the date requested, the agency will be required to refer suspected fraud cases to the state-contracted provider in CY/FFY 2005. There will be no provision for changing from the state-contracted provider to a local provider for CY/FFY 2005, after September 30, 2004.**

Based upon the county/tribal responses to this request, DHFS will determine if there are a sufficient number of agencies to warrant a state-contracted provider for CY/FFY 2005. If there are a limited number of agencies that indicate an interest in using the state-contracted provider, the agencies could contract directly with the provider for services. DHFS would be available to provide technical assistance, if needed.

REGIONAL OFFICE CONTACT: DHFS Area Administrator

CENTRAL OFFICE CONTACTS: Rick Zynda
Department of Health and Family Services
Division of Health Care Financing
Bureau of Health Care Eligibility
1 West Wilson Street
P.O. Box 309
Madison, WI 53701-0309
(608) 266-9812
zyndarl@dhfs.state.wi.us

MBM:my
BA07063

Attachment

**NOTICE OF INTENT
PUBLIC ASSISTANCE FRAUD INVESTIGATIONS
RIGHT OF FIRST SELECTION
CY/FFY 2005**

The Department of Health and Family Services requires county and tribal agencies responsible for the administration of Income Maintenance (IM) programs to refer cases of suspected fraud for investigation. Local agencies may provide fraud investigation services either through local agency staff, through a subcontractor, or by the use of a state-contracted provider. In CY/FFY 2005, the state-contracted provider is Interstate Reporting Company (IRC).

For CY/FFY 2005, _____ county/tribe will use the following to investigate IM cases suspected of fraud (check one):

- ☐ Local agency staff
- ☐ Local agency subcontract
- ☐ State-contracted provider (IRC)

Signature of Authorized Representative

Date

Title

Please return to your county/tribal regional Area Administrator by September 30, 2004.